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Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05

OMB-01 EB-07 TRSE-00 /070 W
---------- 047245
R 162135Z SEP 76
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC 2916
INFO AMEMBASSY KINGSTON
AMEMBASSY SANTO DOMINGO

C O N F I D E N T I A L PORT AU PRINCE 2508

E.O. 11652: GDS
TAGS: PGOV PINT HA
SUBJ: FURTHER CONSEQUENCES OF LATEST HAITIAN GOVERNMENT CHANGES

REF: PORT AU PRINCE 2441

1. SUMMARY. A TREND TOWARD GREATER GOH RATIONALITY IN ECONOMIC DECISION MAKING MAY BE UNDERWAY AS NON-FISCALIZED REVENUE SOURCES ARE EXAMINED AND THE INFLUENCE OF ANTONIO ANDRE AT THE NATIONAL BANK IS REAFFIRMED. CHARGES OF SUBVERSIVE INTENT AGAINST AN OUSTED CABINET SUB-MINISTER ADD A NEW DIMENSION TO THE LATEST GOVERNMENTAL RESHUFFLE. END SUMMARY.

2. ADMINISTRATION OF REGIE DU TABAC. AS SICLAIT'S ASSOCIATES OR PROTEGES CONTINUE TO BE DISMISSED FROM KEY POSITIONS IN REGIE AND ELSEWHERE IN GOVERNMENT, THE PRESIDENT HAS ORDERED A SEARCHING EXAMINATION OF REGIE OPERATIONS, UNDER LEADERSHIP OF MINISTER WITHOUT PORTFOLIO BAYARD, WITH A VIEW TO INTEGRATING REGIE MORE COHERENTLY INTO NATIONAL ECONOMIC DEVELOPMENT AND REDUCING HAITI'S DEPENDENCE ON EXTERNAL ASSITANCE (SEPTEL). NATIONAL BANK DIRECTOR ANTONIO ANDRE IS EXPECTED TO PLACE HIS INFLUENCE BEHIND SUCH AN EXAMINATION AND WILL BE JOINED BY FINANCE
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MINISTER EMMANUEL BROS. ANDRE TOLD US SEPT 14 THAT HE

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HAD EXTENSIVE DISCUSSIONS ABOUT REGIE WITH WORLD BANK
TASK FORCE RECENTLY IN HAITI TO PREPARE ANNUAL REPORT. WE
UNDERSTAND THE DRAFT REPORT, WHICH IS NOW IN GOH HANDS,
IS SEVERELY CRITICAL OF REGIE AND FOR FIRST TIME SUGGESTS COLLUSION
BETWEEN REGIE AND NATIONAL BANK -- A FACTOR WHICH MAY
HAVE CONTRIBUTED TO PRESIDENT'S DECISION TO HAVE
REGIE INVESTIGATED. DURING DISCUSSION WITH
ANDRE, AMBASSADOR EMPHASIZED THAT SICLAIT'S DEPARTURE AND
PRESIDENT'S EVIDENT INTEREST IN REASSESSING ROLE OF REGIE IN
NATIONAL DEVELOPMENT PRESENTED MAJOR OPPORTUNITY FOR GOH TO
DEMONSTRATE ITS COMMITMENT TO MOBILIZING RESOURCES MORE
RATIONALLY AND ACCOUNTABLY. ANDRE AGREED. WE CONSIDER
BAYARD TO BE WELL QUALIFIED FOR THIS DELICATE TASK; HE IS
HONEST, RESPECTED IN BUSINESS COMMUNITY AS WELL AS IN GOVERNMENT,
AND CAN BE COUNTED ON TO MAKE PRACTICAL AND COMMON-SENSE
RECOMMENDATIONS TO PRESIDENT. WHAT THE PRESIDENT WILL DO WITH THE
REPORT IS LESS PREDICTABLE, AND BATTLE FOR GREATER FISCAL
RATIONALITY HAS BY NO MEANS BEEN WON YET.

3. THE BATTLE OVER PRIORITIES. ANDRE'S REINCAR-
NATION AT THE NATIONAL BANK, MUCH TO HIS OWN SURPRISE,
SUGGESTS THAT THE BATTLE TO PERSUADE THE PRESIDENT OF THE
NEED FOR A MORE COHERENT SYSTEM OF NATIONAL PRIORITIES
MAY SLOWLY BE TURNING IN FAVOR OF THE ADVOCATES OF RATIONALITY,
LIKE ANDRE AND BROS. ANDRE CONSIDERS THE LACK OF ANY FRAME-
WORK TO DETERMINE NATIONAL PRIORITIES A SERIOUS DEFICIENCY,
AND HIS EFFORTS IN LATE MARCH TO URGE THE PRESIDENT TO
ADDRESS HIMSELF TO THIS PROBLEM WERE BRUSQUELY REJECTED. HOW-
EVER, THE PRESIDENT, IN FIRING SICLAIT FOR EXCESSIVE AVARICE AND
AMBITION, HAS EVIDENTLY REAPPRAISED THE VALUE OF ANDRE'S
ADVICE; SUCH, AT LEAST, IS THE WAY ANDRE INTERPRETS HIS
RENOMINATION TO HEAD THE BANK. THE PRESIDENT MAY ALSO
HAVE RECOGNIZED THAT HIS INITIAL SPONSORSHIP OF A LEGAL ATTACK ON
THE INTEGRITY OF REGISTERED CORPORATIONS IN HAITI (AN ATTACK
LAUNCHED BY A DISGRUNTLED HEIR OF THE LATE O.J. BRANDT,
HAITI'S FOREMOST INDUSTRIALIST) WAS ILL-ADVISED, AND ANDRE
APPEARS TO HAVE PERSUADED HIM THAT TINKERING WITH ESTABLISHED
LEGAL AND BUSINESS CANONS COULD ONLY DAMAGE THE STATE AND
FRIGHTEN FOREIGN INVESTORS.

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4. SHAKEUP AT FOREIGN MINISTRY. THE DISMISSAL
OF UNDERSECRETARY FOR FOREIGN AFFAIRS GERARD DORCELY
HAS BEEN EXPLAINED IN TERMS NOT ONLY OF HIS ASSOCIATION
WITH SICLAIT BUT, MORE TO THE POINT, OF HIS ALLEGED AMBITIONS
TO REPLACE BRUTUS AS FOREIGN MINISTER, TAKING ADVANTAGE
OF BRUTUS' ABSENCE IN PARIS FOR MAJOR SURGERY THIS PAST
SPRING. DORCELY EVIDENTLY PUSHED HIS LUCK TOO HARD AND,
UPON HIS RETURN TO HAITI, BRUTUS STRUCK BAKC. IN ADDITION,

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DORCELY IS CHARGED WITH HAVING ASSOCIATED WITH LEFT-WING OR
COMMUNIST ELEMENTS IN HAIT, AND GOH SECRET SERVICE WHICH
KEEPS SUSPECTED COMMUNISTS UNDER SURVEILLANCE CLAIMS TO HAVE DETECTED
DORCELY'S SHADOW PERVASIVELY. SPECIFICALLY, DORCELY IS SAID
TO HAVE ARRANGED FOR A FOREIGN STUDY SCHOLARSHIP FOR A YOUNG
HAITIAN WHO THEN EXCHANGED HIS PASSPORT AT A CUBAN MISSION
ABROAD AND WENT BEHIND THE IRON CURTAIN FOR TRAINING. STUDENT
RETURNED TO HAITI USING HIS ORIGINAL PASSPORT, BUT HIS IRON
CURTAIN SOJOURN WAS DISCOVERED NEVERTHELESS, AND HE IS
NOW UNDER INTERROGATION. WE FIND THE ACCUSATION SURPRISING
IN THAT DORCELY STRUCK US AS A HIGHLY INTELLIGENT BUT THOROUGHLY
NATIONALISTIC OFFICIAL; IN COMMENTING ON CUBAN REGIONAL
AMBITIONS, FOR EXAMPLE, DORCELY CONSISTENTLY WARNED AGAINST
CASTROITE SUBVERSION AND DEPICTED HAITI AS A CONSERVATIVE
BULWARK AGAINST SUCH INFLUENCES. IN THE LIGHT OF THESE
ACCUSATIONS, IT SEEMS UNLIKELY THAT DORCELY CAN RETAIN
HIS POST AS DIRECTOR OF THE NATIONAL INSTITUTE FOR ADMIN-
ISTRATION AND MANAGEMENT, AN INSTITUTION WHICH IS PROVIDING A
BADLY NEEDED NUCLEUS OF YOUNG MEN AND WOMEN TO ASSUME
GOVERNMENT AND MANAGERIAL RESPONSIBILIITIES.
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